

Message Text

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ACTION EUR-12

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USDOC FOR BEWT/TDAD AND BEWT/USSR

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TAGS: EALR, EEWT, ENRG, UR
SUBJECT: U.S. FIRMS SELL \$8 MILLION OF GAS WELL EQUIP-
MENT TO SOVIETS

REF: (A) MOSCOW 1689, (B) MOSCOW 1801

SUMMARY: U.S. FIRMS SIGNED CONTRACTS DURING WEEK OF FEB
20 FOR NEARLY \$8 MILLION WORTH OF DOWN-HOLE AND SURFACE
EQUIPMENT TO BE USED IN 120 SOVIET GAS WELLS AT VARIOUS
LOCATIONS. END SUMMARY.

1. BAKER TRADING COMPANY'S VICE PRESIDENT, B. F. (BOBBY)
TAYLOR, TOLD COMATT FEBRUARY 27 THAT FIRM HAD SIGNED CON-
TRACT WITH FTO MASHINOIMPORT DURING PRECEDING WEEK FOR
DOWN-HOLE AND SURFACE EQUIPMENT TO BE INSTALLED IN THIRTY
(30) GAS WELLS LOCATED IN MEDVEZHYE FIELDS OF WESTERN
SIBERIA NEAR ARCTIC CIRCLE. VALUE OF CONTRACT WAS JUST
UNDER \$2 MILLION, CASH-AGAINST DOCUMENTS (CAD). ACCORDING
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TO TAYLOR, EQUIPMENT WAS ORDERED FOR USE ON HIGH-VOLUME,
LOW-PRESSURE, "SWEET" GAS (GAS CONTAINING, IN THIS CASE,
VIRTUALLY NO SULFUR CONTENT) WELLS WITH DESIGN SPECIFICA-
TIONS TO ENABLE ITS APPLICATION AT TEMPERATURES OF
MINUS SIXTY DEGREES CENTIGRADE. EQUIPMENT FOR FIRST
TEN WELLS MUST BE DELIVERED BY AUGUST AND FOR REMAINING
TWENTY WELLS BY OCTOBER, 1978.

2. TAYLOR SAID THAT OTIS CORPORATION, ONE OF BAKER OIL TOOLS' MAIN COMPETITORS IN USSR, HAD ALSO SIGNED \$2 MILLION-PLUS CONTRACT FOR NEARLY IDENTICAL EQUIPMENT TO BE INSTALLED IN (1) TEN HIGH-PRESSURE, "SOUR" GAS (HIGH SULFUR CONTENT) WELLS IN ASTRAKHAN AREA AND (2) TEN MEDIUM-PRESSURE, "SOUR" GAS WELLS OF UNSPECIFIED LOCATION.

3. ALSO, CAMCO, A THIRD U.S. SUPPLIER OF DOWN-HOLE AND SURFACE GEAR, HAD REPORTEDLY CLINCHED A FOUR MILLION-DOLLAR SALE OF EQUIPMENT FOR SEVENTY (70) MEDIUM PRESSURE, "SOUR" GAS WELLS IN AND AROUND ORENBURG AREA.

4. IN TOTAL, THEREFORE, U. S. GASFIELD EQUIPMENT SUPPLIERS REPORTEDLY SIGNED CONTRACTS WORTH EIGHT MILLION DOLLARS LAST WEEK FOR INSTALLATION IN 120 SOVIET GAS WELLS. PAYMENTS ON ALL CONTRACTS, ACCORDING TO TAYLOR, ARE TO BE MADE IN CASH.

5. COMMENT: THESE REPORTED SALES BRING TO \$23 MILLION TOTAL OF CONTRACTS SIGNED WITH SOVIETS IN 1978 BY U.S. OIL AND GAS FIELD EQUIPMENT SUPPLIERS. WE REPORTED PREVIOUSLY (REFTELS) ABOUT \$15 MILLION CONTRACT SIGNED BY TEXAS INTERNATIONAL (SKYTOP DIVISION) FOR TEN WORK-OVER RIGS. MATLOCK

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